(d) whether crude will be supplied at concessional prices; and

(e) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) No, Sir.

(b) to (e) Do not arise in view of (a) above.

Impact of rising oil prices on oil companies

3518. DR. M. AM. RAMASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the oil prices in the international market during the each of the three years, year-wise;

(b) whether due to increase in oil prices, the oil companies in the country are heavily burdened marking it difficult for them to invest in infrastructure and other business; and

(c) if so, the remedial measures taken by Government in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Information is given in the Statement (See below).

(b) and (c) With a view to containing the burden of the increase in international prices on consumers of petroleum products, Public Sector Oil Marketing Companies (OMCs) have not passed on the full increase in international prices to the domestic consumer prices of these products. The burden borne by oil companies will, of course, go up to the extent that domestic prices are not revised upwards when international prices shoot up. With effect from 1st August, 2004 Government had worked out a price band mechanism, allowing OMCs freedom to revise the prices of petrol and diesel within the prescribed price band. However, the steep and volatile increase in the international prices of crude oil resulted in the ceiling of the price band being breached within weeks of its being made operational resulting in the mechanism being placed in abeyance. It is hoped that when international prices stabilize, or Government so decides, the price band mechanism might be restored. It may be noted that private sector companies are free to fix their prices.

Statement

Latest International Prices of Petroleum Products and Crude

Crude Petroleum Product All figures in $/bbl

	Dubai	Oman	Brent Dated	Indian Basket	Jet/Kero Arab	Jet/Kero Singapor	Naphtha Arab	Naphtha Singapore	GO.5% Arab	GO.5% Singapor	HSFO 180 Arab	HSFO 180 Singapor	Unleade Singapor
2002	23.85	23.05	25.02	24.38	26.50	28.08	23.78	24.93	25.88	27.55	22.01	22.89	26.88
2003	28.76	27.13	28.83	27.75	30.59	32.90	27.88	29.93	29.87	32.31	24.68	26.14	33.64
2004	3369	34.38	38.27	35.86	44.86	47.49	38.82	40.74	42.90	45.69	25.99	28.35	46.23
2005	42.45	43.68	48.33	45.33	57.37	60.08	45.22	46.54	53.89	56.76	30.70	32.89	54.63
Averag	31.69	32.20	35.11	33.33	39.83	42.14	33.93	35.53	38.13	40.58	25.85	27.57	40.35

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INDIAN BASKET=(AVERAGE DUBAI & OMAN) *0.57 + (BRENT DATED)* 0.43

	Sadui C.P Propane US$/T	Sadui C.P Butane US$/T
2002	250.14	235.56
2003	297.89	286.66
2004	347.48	353.49
2005	376.52	382.29
Average:	318.01	314.50

Note

Figures of 2005 are upto 18/04/2005

Source Platts ____